

- Hanson, S., A. Shleifer, J. Stein, and R. Vishny (2015) “Banks as Patient Fixed-Income Investors,” *Journal of Financial Economics*, 117, 449–469.
- Harris, M., C. Opp, and M. Opp (2017), “Higher Capital Requirements, Safer Banks? Macroprudential Regulation in a Competitive Financial System,” Wharton School Working Paper.
- Hellmann, T., K. Murdock, and J. Stiglitz, 2000, “Liberalization, Moral Hazard in Banking, and Prudential Regulation: Are Capital Requirements Enough?,” *American Economic Review*, 90, 147-165.
- Holmström, B., and J. Tirole (1997), “Financial Intermediation, Loanable Funds, and the Real Sector,” *Quarterly Journal of Economics*, 112, 663-691.
- Irani, R., R. Iyer, R. Meisenzahl, and J.-L. Peydró (2018), “The Rise of Shadow Banking: Evidence from Capital Regulation,” CEPR Discussion Paper No. 12913.
- Koehn, M. and Santomero, A. M., (1980), “Regulation of Bank Capital and Portfolio Risk,” *Journal of Finance*, 35, 1235-1244
- Martinez-Miera, D. (2009), “Bank Capital Requirements, Competition and Bank Failure,” mimeo.
- Martinez-Miera, D., and R. Repullo (2017), “Search for Yield,” *Econometrica*, 85, 351-378.
- Moreira, A., and A. Savov (2017) “The Macroeconomics of Shadow Banking,” *Journal of Finance* forthcoming.
- Plantin, G. (2015), “Shadow Banking and Bank Capital Regulation,” *Review of Financial Studies*, 28, 146-175.
- Ordoñez, G. (2018), “Sustainable Shadow Banking,” *American Economic Journal: Macroeconomics*, 10, 33-56.

Acknowledgements

We thank Jason Allen, Andres Almazan, Frederic Boissay, Philip Bond, Jean-Edouard Colliard, Hans Degryse, Jose Fillat, Mark Flannery, Florian Heider, Julian Kolm, Tim Landoigt, David Miles, George Pennacchi, Jean-Charles Rochet, Javier Suarez, and Anna Toldra for very useful comments. Financial support from the Spanish Ministry of Economy and Competitiveness, Grants No. ECO2014-59262-P (Repullo) and ECO2017-82385-P (Martinez-Miera), and from Banco de España (Martinez-Miera) is gratefully acknowledged. The work of Martinez-Miera has been prepared under the Lamfalussy Fellowship Program of the European Central Bank (ECB). The views expressed are those of its authors and do not represent those of the Banco de España, the ECB, or the Eurosystem.

David Martinez-Miera

Universidad Carlos III de Madrid, Madrid, Spain; CEPR; email: david.martinez@uc3m.es

Rafael Repullo

Center for Monetary and Financial Studies, Madrid, Spain; CEPR; email: repullo@cemfi.es

© European Central Bank, 2019

Postal address 60640 Frankfurt am Main, Germany

Telephone +49 69 1344 0

Website www.ecb.europa.eu

All rights reserved. Any reproduction, publication and reprint in the form of a different publication, whether printed or produced electronically, in whole or in part, is permitted only with the explicit written authorisation of the ECB or the authors.

This paper can be downloaded without charge from www.ecb.europa.eu, from the [Social Science Research Network electronic library](#) or from [RePEc: Research Papers in Economics](#). Information on all of the papers published in the ECB Working Paper Series can be found on the [ECB's website](#).

PDF

ISBN 978-92-899-3496-1

ISSN 1725-2806

doi:10.2866/627556

QB-AR-19-015-EN-N